

REFERENCE TITLE: hospitals; licensure

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HB 2090

Introduced by
Representatives Quelland, Rosati

AN ACT

AMENDING SECTION 36-425, ARIZONA REVISED STATUTES; RELATING TO HEALTH CARE INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 36-425, Arizona Revised Statutes, is amended to
3 read:

4 36-425. Inspections; issuance of license; posting of
5 deficiencies; provisional license; denial of license

6 A. On receipt of a properly completed application for initial
7 licensure or re licensure, the director shall conduct an inspection of the
8 health care institution as prescribed by this chapter. If an application for
9 a license is submitted due to a planned change of ownership, the director
10 shall determine the need for an inspection of the health care institution.
11 Based on the results of the inspection, the director shall either deny the
12 license or issue a regular or provisional license. A license issued by the
13 department shall be conspicuously posted in the reception area of that
14 institution. If the health care institution is an accredited hospital, the
15 ~~regular license is valid for the duration of the~~ LICENSURE TERM FOR INITIAL
16 LICENSURE IS THREE YEARS BEGINNING ON THE EFFECTIVE DATE OF THE HOSPITAL'S
17 CURRENT accreditation period AND THE LICENSURE TERM FOR RELICENSURE IS THREE
18 YEARS FROM THE EXPIRATION DATE OF THE HOSPITAL'S CURRENT LICENSE.

19 B. The director shall issue a regular license if the director
20 determines that an applicant and the health care institution for which the
21 license is sought substantially comply with the requirements of this chapter
22 and rules adopted pursuant to this chapter and the applicant agrees to carry
23 out a plan acceptable to the director to eliminate any deficiencies. The
24 license is valid for up to two years from the date it is issued if the
25 facility, on expiration of the initial one-year license, has no deficiencies
26 at the time the department conducts the subsequent licensing inspections.
27 The director shall not require a health care institution that was designated
28 as a critical access hospital to make any modifications required by this
29 chapter or rules adopted pursuant to this chapter in order to obtain an
30 amended license with the same licensed capacity the health care institution
31 had before it was designated as a critical access hospital if all of the
32 following are true:

33 1. The health care institution has subsequently terminated its
34 critical access hospital designation.

35 2. The licensed capacity of the health care institution does not
36 exceed its licensed capacity prior to its designation as a critical access
37 hospital.

38 3. The health care institution remains in compliance with the
39 applicable codes and standards that were in effect at the time the facility
40 was originally licensed with the higher licensed capacity.

41 C. The director shall issue a provisional license for a period of not
42 more than one year if an inspection or investigation of a currently licensed
43 health care institution or a health care institution for which an applicant
44 is seeking initial licensure reveals that the institution is not in
45 substantial compliance with department licensure requirements and the

1 director believes that the immediate interests of the patients and the
2 general public are best served if the institution is given an opportunity to
3 correct deficiencies. The applicant or licensee shall agree to carry out a
4 plan to eliminate deficiencies that is acceptable to the director. The
5 director shall not issue consecutive provisional licenses to a single health
6 care institution. The director shall not issue a regular license to the
7 current licensee or a successor applicant before the expiration of the
8 provisional license unless the health care institution submits an application
9 for a substantial compliance survey and is found to be in substantial
10 compliance. The director may issue a regular license only if the director
11 determines that the institution is in substantial compliance with the
12 licensure requirements of the department and this chapter. This subsection
13 does not prevent the director from taking action to protect the safety of
14 patients pursuant to section 36-427.

15 D. Subject to the confidentiality requirements of articles 4 and 5 of
16 this chapter, title 12, chapter 13, article 7.1 and section 12-2235, the
17 licensee shall keep current department inspection reports at the health care
18 institution. Unless federal law requires otherwise, the licensee shall
19 conspicuously post a notice that identifies the location at that institution
20 where the inspection reports are available for review.

21 E. A health care institution shall immediately notify the department
22 in writing when there is a change of the chief administrative officer
23 specified in section 36-422, subsection A, paragraph 7.

24 F. When the department issues an original regular license or an
25 original provisional license to a health care institution it shall notify the
26 owners and lessees of any agricultural land within one-fourth mile of the
27 health care institution. The health care institution shall provide the
28 department with the names and addresses of owners or lessees of agricultural
29 land within one-fourth mile of the proposed health care institution.

30 G. In addition to the grounds for denial of licensure prescribed
31 pursuant to subsection A of this section, the director may deny a license
32 because an applicant or anyone in a business relationship with the applicant,
33 including stockholders and controlling persons, has had a license to operate
34 a health care institution denied, revoked or suspended or a license or
35 certificate issued by a health profession regulatory board pursuant to title
36 32 or issued by a state agency pursuant to chapter 6, article 7 or chapter 17
37 of this title denied, revoked or suspended or has a licensing history of
38 recent serious violations occurring in this state or in another state that
39 posed a direct risk to the life, health or safety of patients or residents.

40 H. In addition to the requirements of this chapter, the director may
41 prescribe by rule other licensure requirements and may prescribe procedures
42 for conducting investigations into an applicant's character and
43 qualifications.